

# Export Forecasts for Agricultural, Fishery & Solid Wood Products

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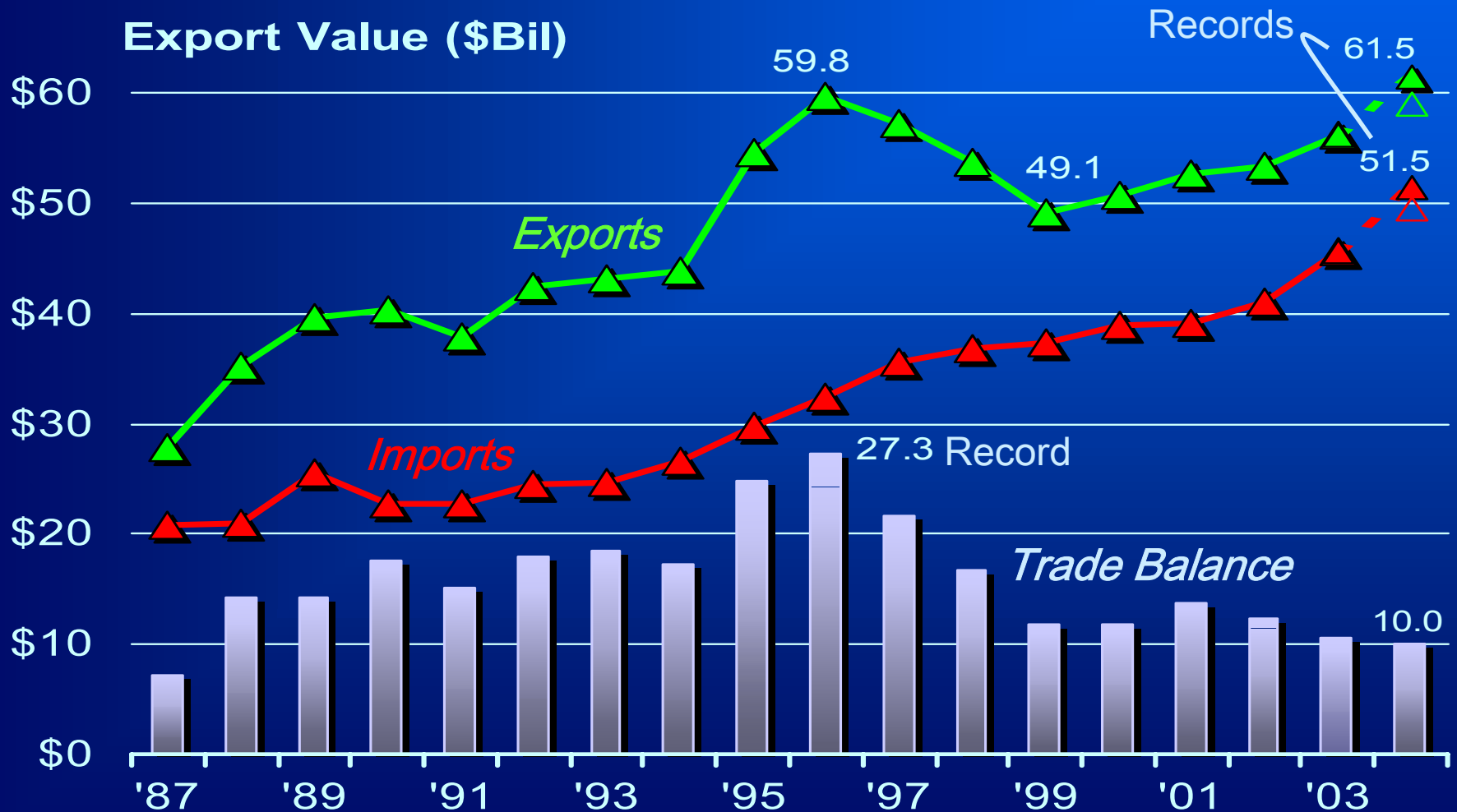
Fiscal '04 AgExport Forecast at Record \$61.5 Bil  
AgImports Rise to Record \$51.5 Bil

USDA's "Outlook for U.S. Agricultural Trade"  
will be released on May 25, 2004 (4pm EST)

Prepared by Foreign Agricultural Service/USDA

# U.S. Agricultural Trade

Exports expected to rise \$5.3 billion in 2004 due to higher volumes/prices for feed grains, cotton & horticultural prods; despite lower soybean & beef shipments. Larger gain for imports drives trade surplus slightly lower.



# Key Commodity/Country Changes in 2004 Exports

*Since February . . .*

|                       | Final<br>FY 2003 | Feb<br>FY '04<br>For. | May<br>FY '04<br>For. | Feb/May<br>Chg | Main Reasons                       |
|-----------------------|------------------|-----------------------|-----------------------|----------------|------------------------------------|
| Livstk Prods (\$ Bil) | 9.074            | 6.0                   | 7.0                   | +1.0           | (+) beef/pork vol; cattle by-prods |
| Hort. (\$ Bil)        | 11.903           | 12.8                  | 13.4                  | +0.6           | exchg rate; tree nuts; misc h-v    |
| Corn (\$Bil)          | 4.563            | 5.9                   | 6.3                   | +0.4           | (+) price/volume                   |
| Wheat (\$Bil)         | 3.926            | 4.6                   | 4.9                   | +0.3           | (+) volume                         |
|                       |                  |                       |                       |                |                                    |
| Wheat (mmt)           | 24.434           | 29.0                  | 30.5                  | +1.5           | (+) demand; (-) competition        |
| Corn (mmt)            | 41.037           | 51.0                  | 52.0                  | +1.0           | (-) competition w/ China           |
| Broiler meat (mmt)    | 2.162            | 2.4                   | 2.1                   | -0.3           | Russia, higher prices; AI          |
| Beef & pork (mmt)     | 1.993            | 1.1                   | 1.4                   | +0.25          | beef to Mex; US pork competitive   |

- China +\$500 million to \$5.9 billion (cotton, soybeans)
- Japan +\$900 million to \$8.7 billion (corn, soybeans, fruit, tree nuts, rice)
- Mexico +\$1 billion to \$8.7 billion (grains, cotton, soybeans, broiler meat, vegetables)
- Korea +\$500 million to \$2.6 billion (corn, fruit)

**Top regional market: W Hemisphere and Asia running neck-and-neck**

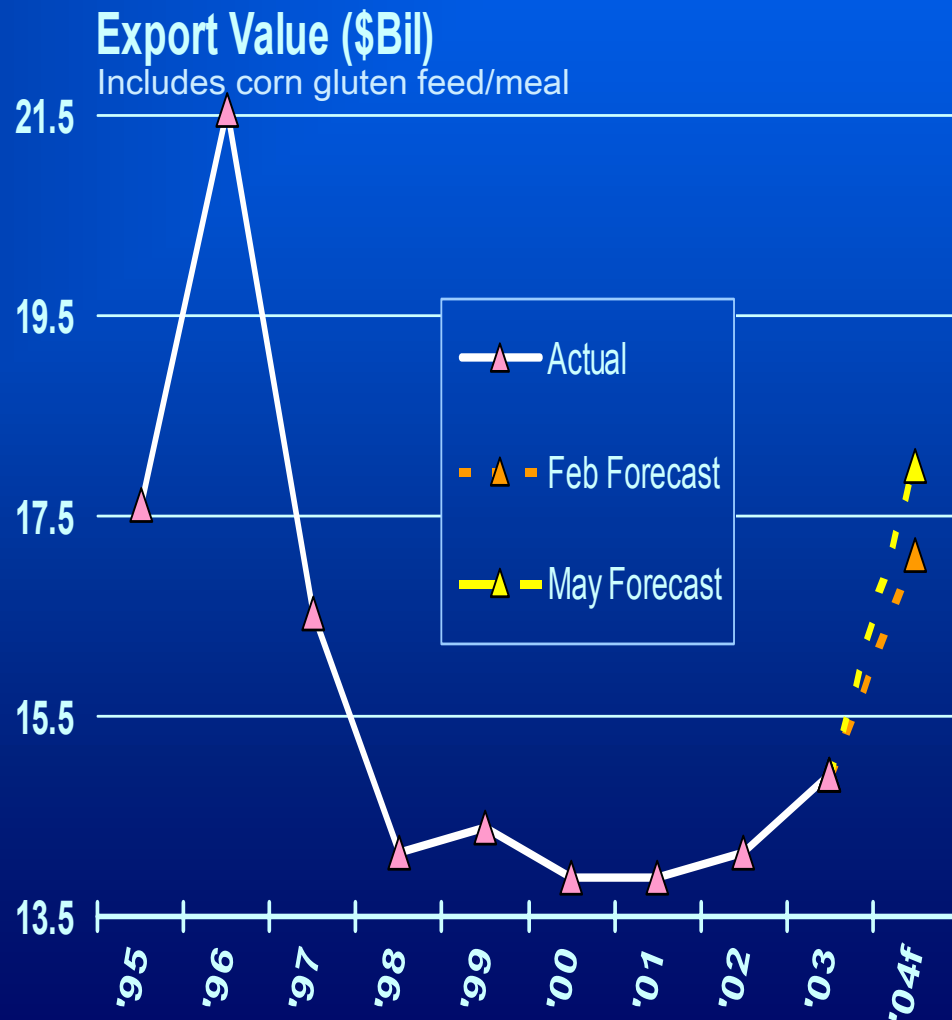
# Export Outlook for Grain & Feed Products

Revised FY 2004 Forecast:  \$900 Million to \$18.0 Billion

## Revised FY 2004 Forecast

### *Key Upside Developments*

- Export volumes raised for wheat, corn and rice
- Higher unit prices for corn
- Continued absence of near-term competition for wheat, rice and corn
- China's demand for imported wheat increased



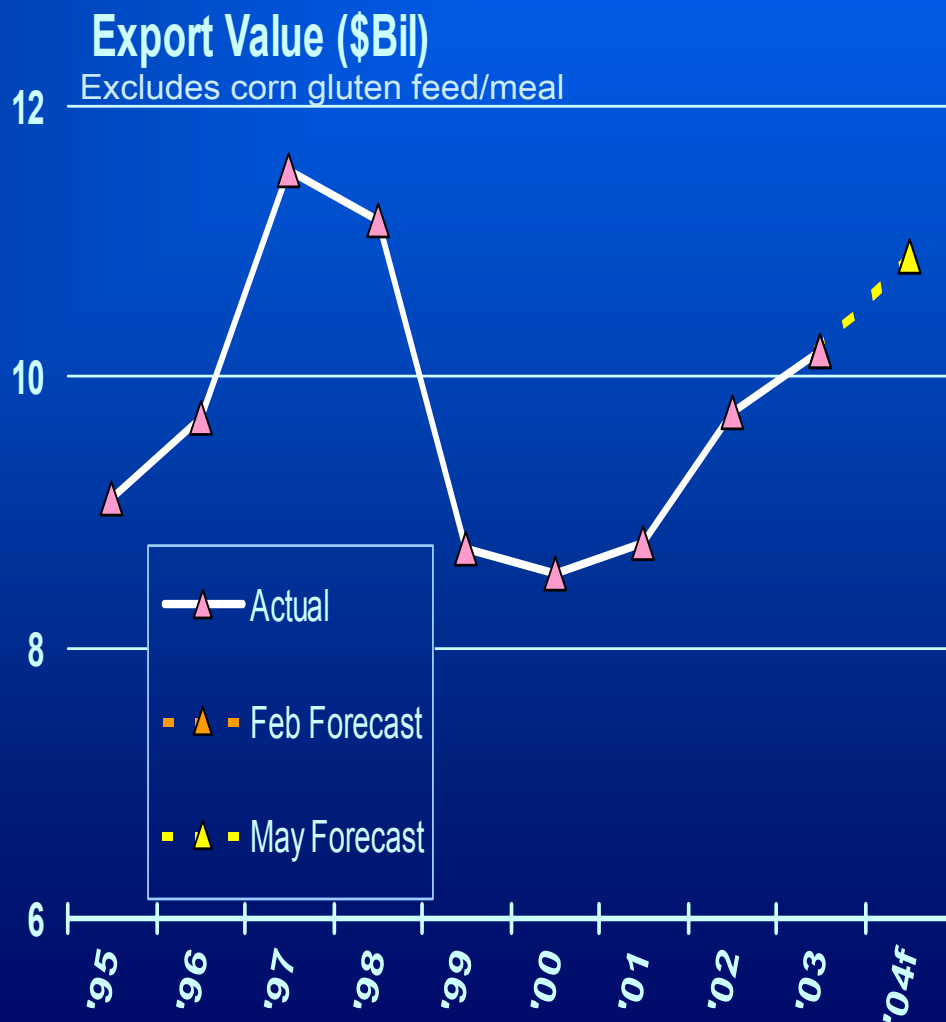
# Export Outlook for Oilseeds & Products

Revised FY 2004 Forecast:      Unchanged at \$10.6 Billion

## Revised FY 2004 Forecast

### *Key Upside Developments*

- Strong China soybean demand
- Prices remain firm



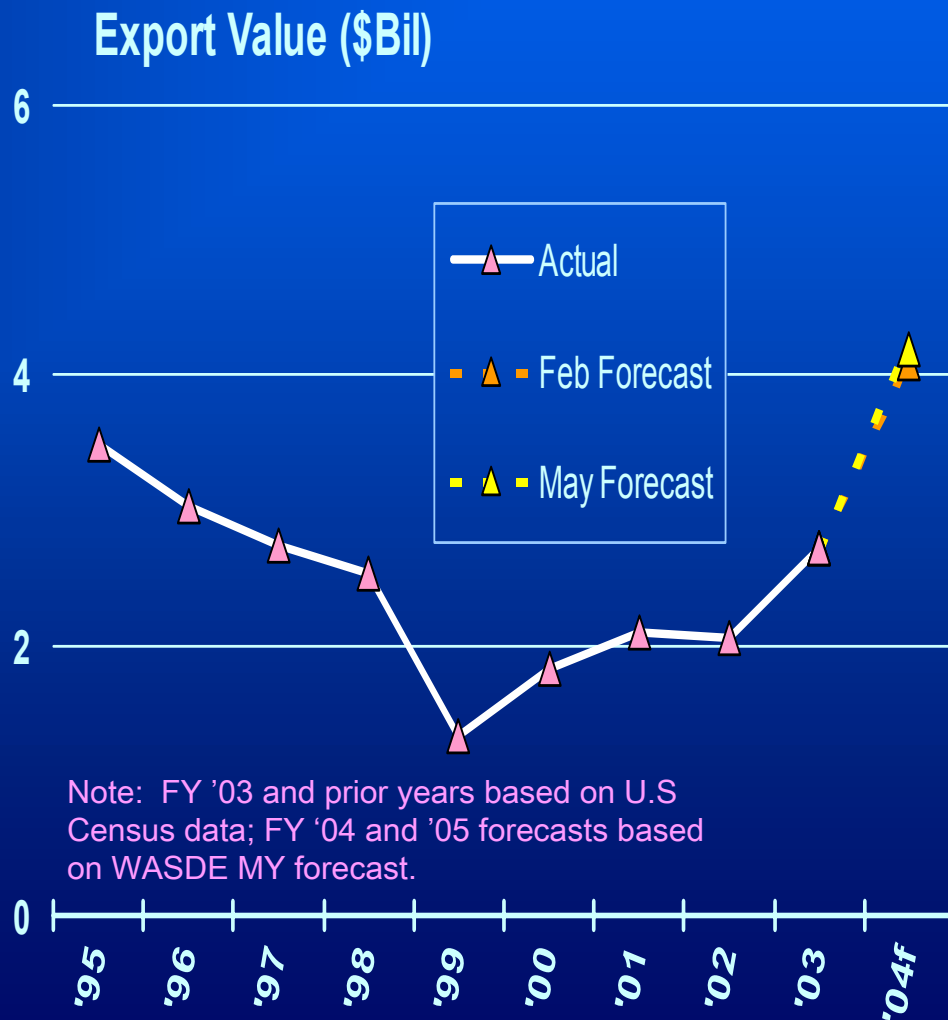
# Export Outlook for Cotton & Linters

Revised FY 2004 Forecast:  \$100 Million to \$4.2 Billion

## Revised FY 2004 Forecast

### *Key Upside Developments*

- Mill use, particularly in China, continues strong
- US export volume to China raised
- Weaker U.S. dollar and global economic growth support exports



# Export Outlook for Dairy, Livestock & Poultry

Revised FY 2004 Forecast:  \$1 Billion to \$10.6 Billion

## Revised FY 2004 Forecast

### *Key Upside Developments*

- Beef raised 75 TMT as trade to Mexico of selected products resumes

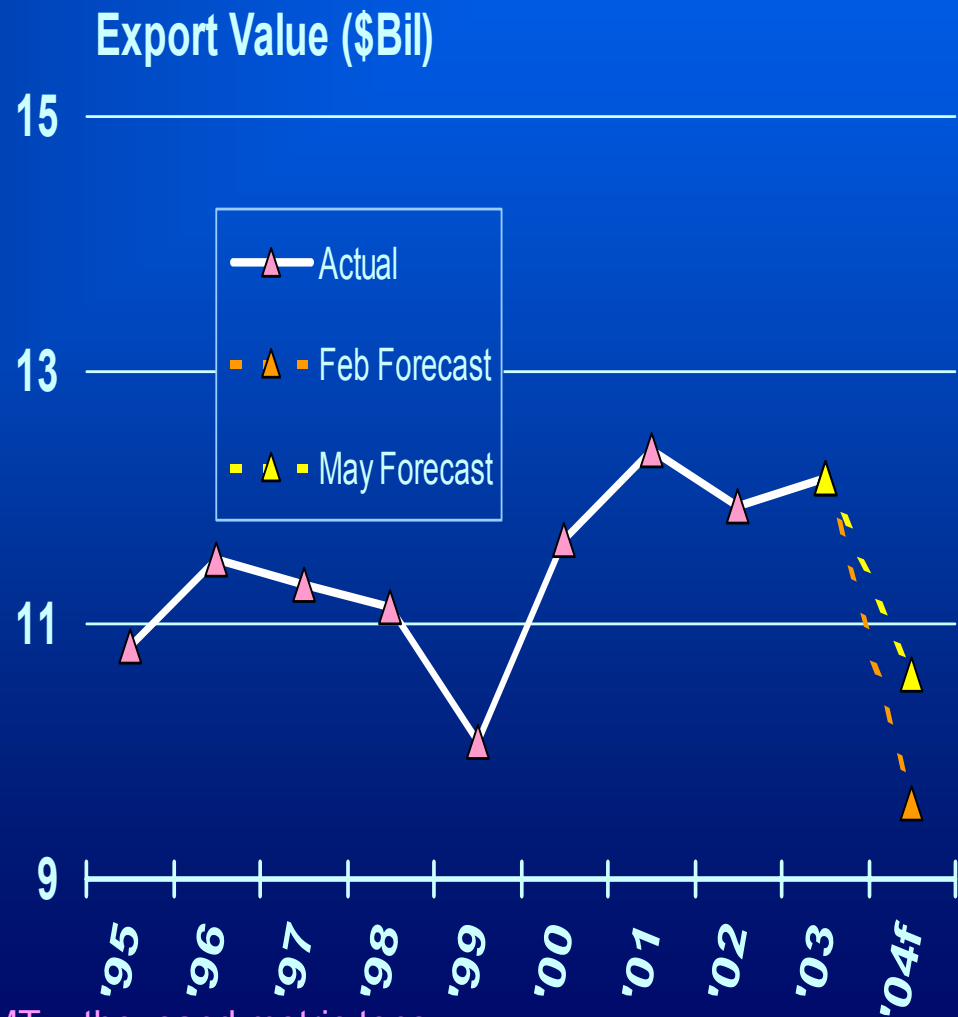
- Pork raised to record 670 TMT

- Cattle by-products raised \$525 mil as expectations on bans did not hold true

- Weaker US dollar & global econ growth support exports

### *Key Downside Development*

- Broiler meat sales lowered 285 TMT with lower sales to Russia, higher prices slowing sales & Avian Influenza bans



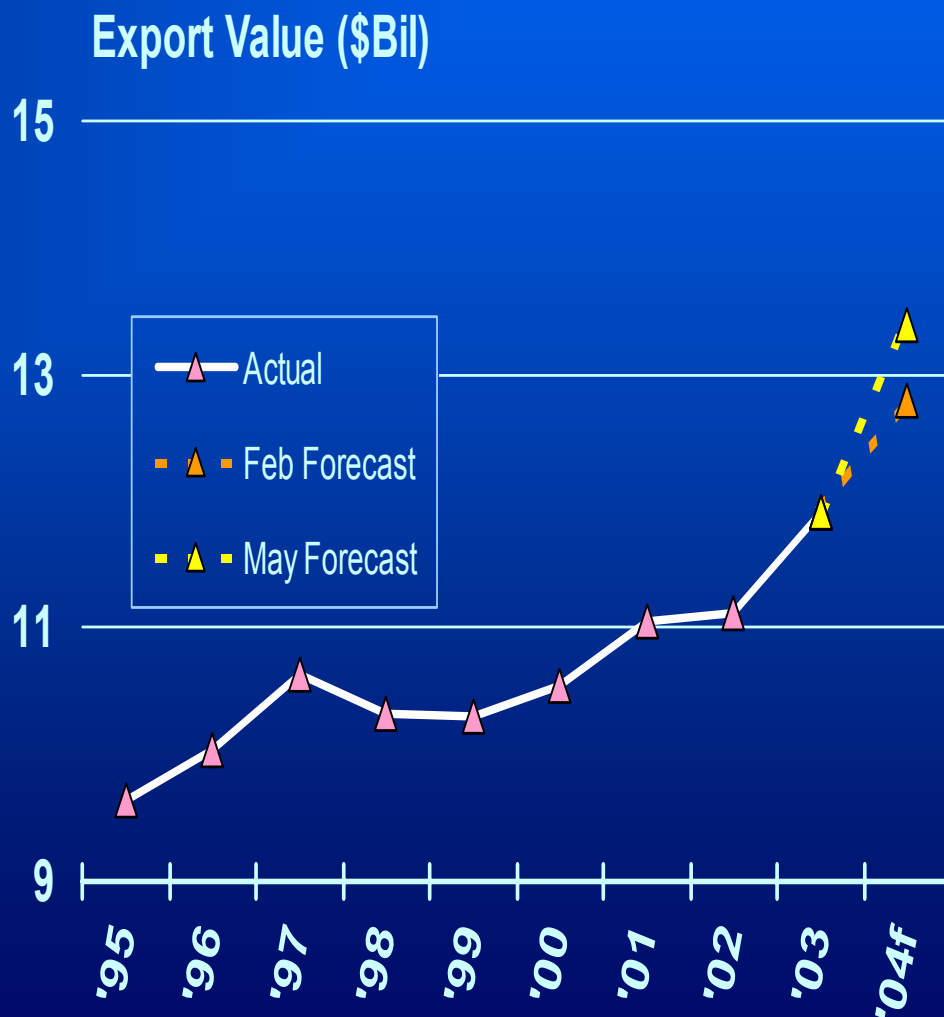
# Export Outlook for Horticultural Products

Revised FY 2004 Forecast:  \$600 Million to \$13.4 Billion

## Revised FY 2004 Forecast

### *Key Upside Developments*

- Strong growth for first 6 months, led by tree nuts and highly- processed misc. products
- Strong exports to NAFTA partners, key Asian markets, and Europe
- Weaker U.S. dollar and global economic growth support exports





# Export Outlook for Fishery Products

Revised FY 2004 Forecast:  \$100 Million to \$3.2 Billion

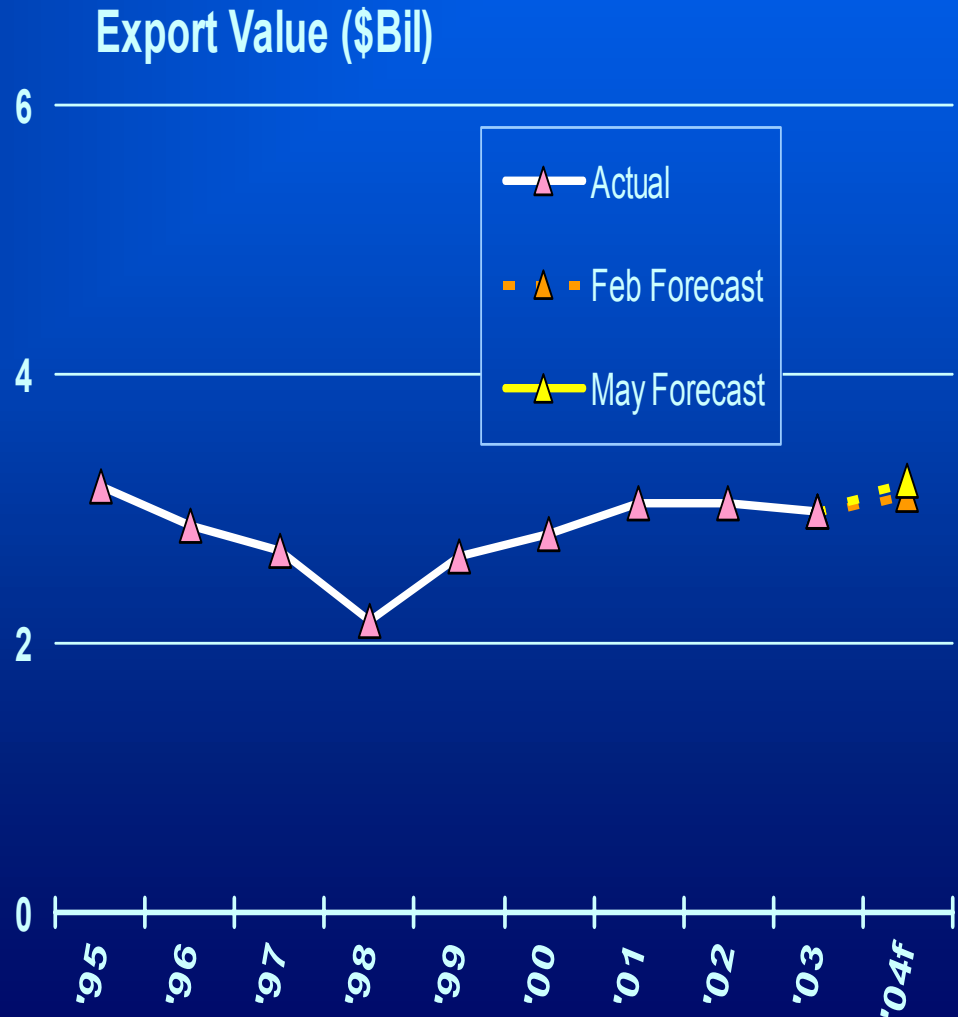
## Revised FY 2004 Forecast

### *Key Upside Development*

- Crab & squid exports already exceed 2003 export levels
- Weaker U.S. dollar and global economic growth support exports

### *Key Downside Development*

- Salmon roe exports may slip



# Export Outlook for Solid Wood Products

Revised FY 2004 Forecast:  \$200 Million to \$5.3 Billion

## Revised FY 2004 Forecast

### Key Upside Development

- Exports to Canada rise, responding to re-export demand for valued-added products created by U.S. housing market
- Weaker U.S. dollar and global economic growth support exports

